



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JUL 14 2016

Senator Harry Reid
528 Senate Hart Office Building
Washington, DC 20510

RE: MUR 6841

Dear Senator Reid:

On June 18, 2014, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On June 23, 2016, the Commission found, on the basis of the information in the complaint, and information provided by the Committee, that there is no reason to believe you violated 52 U.S.C. § 30125(e)(1)(B). Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). The Factual and Legal Analysis, which explains the Commission's finding, is enclosed for your information.

If you have any questions, please contact Wanda D. Brown, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Daniel A. Petalas
Acting General Counsel

A handwritten signature in black ink, appearing to read "Jeff S. Jordan", is written over the typed name and title.

BY: Jeff S. Jordan
Assistant General Counsel
Complaints Examination and
Legal Administration

Enclosure
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Friends for Harry Reid MUR 6841
and Claude Zobell, as treasurer
Harry M. Reid
Friends for Flores
Lucy Flores

I. INTRODUCTION

This matter was generated by a Complaint filed by David McKeon ("Complainant") on June 17, 2014, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act") and Commission regulations by Respondents Friends for Harry Reid and Claude Zobell in his official capacity as treasurer (collectively the "Reid Committee") and Friends for Flores and Lucy Flores (collectively the "Flores Committee"). It was scored as a relatively low-rated matter under the Enforcement Priority System, a system by which the Commission uses formal scoring criteria as a basis to allocate its resources and decide which matters to pursue.

II. FACTUAL AND LEGAL ANALYSIS

According to the Complainant, Harry Reid and Friends for Harry Reid and Claude Zobell in his official capacity as treasurer (collectively the "Reid Committee") violated the Act by failing to include a proper disclaimer on an email that solicited funds for Friends for Flores, campaign committee for Lucy Flores, the 2014 Democratic candidate for Nevada's lieutenant governor. Specifically, the complaint alleges that in an email sent from the Reid Committee, Senator Reid invited recipients to contribute to Flores' state campaign but did not state that corporate contributions were prohibited under the Act.¹ The Reid email asks that recipients

¹ Compl. at 1 (June 13, 2014).

1 contribute "\$5 or more" and "\$5, or whatever you can" to Flores' campaign.² The email also
2 includes a link to the Friends of Flores website contribution page.³ That contribution form asks
3 that contributions be made directly to Friends for Flores.⁴

4 The Reid Committee admits that the email, which was meant to facilitate low dollar
5 contributions, did not inform recipients that Reid was soliciting only federally compliant funds.
6 The Reid Committee also asserts that all 62 contributions Flores received in response to the
7 solicitation, none of which was greater than \$100, complied with the Act.⁵ Further, the Reid
8 Committee says that it sent another email "within days" stating that all contributions must
9 comply with the limitations and prohibitions of the Act.⁶

10 Lucy Flores and Friends for Flores (collectively the "Flores Committee") respond that the
11 Committee received 62 contributions as a result of the Reid solicitation, in amounts ranging from
12 \$5 to \$100. The Committee asserts that all of the contributions were made from permissible
13 sources under the Act.⁷ Further, the Flores Committee maintains that as a state committee
14 governed by Nevada's campaign finance laws, it is not subject to the jurisdiction of the
15 Commission and did not violate the Act.⁸

² Compl., Attach. 1.

³ *Id.*

⁴ Compl., Attach. 2.

⁵ Reid Resp. at 1 (Aug. 4, 2014).

⁶ *Id.*

⁷ Flores Resp. at 1 (July 8, 2014).

⁸ *Id.*

1 The Act and Commission regulations prohibit federal officeholders and entities that are
2 directly or indirectly established, financed, maintained, or controlled by or acting on behalf of
3 one or more candidates or individuals holding federal office from soliciting funds in connection
4 with non-federal elections that are not subject to the limitations, prohibitions, and reporting
5 requirements of the Act.⁹ The Act also prohibits corporations from making contributions in
6 connection with federal elections.¹⁰

7 It appears that the original solicitation, which did not inform recipients that Reid was
8 only asking for contributions that complied with the Act, violated 52 U.S.C. § 30125(e)(1)(B).
9 However, the contributions resulting from Reid's solicitation email appear to have been modest,
10 and the Reid Committee attempted to remedy the violation by sending a follow-up email
11 explaining that all contributions had to comply with the Act's limitations and source
12 prohibitions.

13 In light of the corrective actions taken by the Reid Committee and the modest amount in
14 violation, the Commission exercises its prosecutorial discretion and dismisses the violations as to
15 Reid and his committee.¹¹ As to the Flores Committee, we have no information indicating that
16 any of its activities related to contributions resulting from the Reid email violated the Act.
17 Accordingly, we recommend that the Commission find no reason to believe that they violated
18 any provision of the Act.

⁹ 52 U.S.C. § 30125(e)(1)(B); 11 C.F.R. §§ 300.62.

¹⁰ 52 U.S.C. § 30118(a).

¹¹ *Heckler v. Chaney*, 470 U.S. 821 (1985).